

ORIGINAL



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PLEASE ADD THIS INFORMATION TO DOCKET # WS-04052A-01-0794, RED ROCK
WATER CO OP FOR THE HEARING SCHEDULED ON FEB., 5, 2002 AT 10 A.M.

RECEIVED

The annual meeting of the Red Rock Water CoOp was held on Jan. 8, 2002 at 7 PM. Prior to the meeting, proxies were mailed out in the event that a shareholder wanted to designate another party to vote for them. Please note however, that no agenda accompanied the proxies. Thus, it was virtually impossible to designate another party to vote as the issues were not presented ahead of time.

Present at the meeting were Jay Elmer, Attorney Steve Owens, Kay (Elmer) Holland, her husband Steve, Dallas Weaver, Tim Wright, Chuck Coulter and his wife Sam, Frank Davis and his wife Rosella, and myself, Debby Dobson.

Prior to this meeting, shareholders received information in early Sept. of 2001 as to an assessment fee of \$300 and a possible rate increase of 67% past the base rate and were directed to contact Steve Owens if they had any questions. Please note: we were also informed that we would possibly incur any legal fees (at \$175 per hour) for doing so. On 10/01/01, I wrote a letter to Mr. Owens outlining my concerns. He wrote me back saying that he had forwarded my letter on to Jay Elmer and that I could discuss it with him. However, as I wanted a written, not verbal response, I sent a letter to Jay at the address listed for him on the CoOp roster on 10/5/01.

That letter was returned to me marked "undeliverable". I then decided to leave the letter at Jay Elmer's place of business, Sedona Plumbing. In a letter received from the Board of the CoOp dated 10/17/01, Jay stated that he *would not respond* to water company business from his plumbing business.

At the annual meeting this week, we were again invited to ask questions. However, when I asked any questions concerning the cause of the well breakdown this summer and what bills were incurred, I was denied an answer. I attempted 2 or 3 times to obtain this information and finally decided that there was no point in staying.

Thus, despite repeated attempts to learn what had happened to the well, what parts if any were replaced, labor charges and who repaired it, I was denied this information. Why? Is this not information that a shareholder is entitled to have? Could at least part of this money have been paid to Sedona Plumbing?

Please refer to the CoOp's Activity Report for June - Dec. of 2001. The "misc." items are all itemized EXCEPT for the repair payments in September and December. If my math is correct, this amount is \$1680, a large expenditure.

A second issue is the one of the incorporation of the CoOp which I believe was initiated with little to no input from the shareholders. As you are aware, there was a petition distributed among the shareholders who signed it if they were in favor of the incorporation. However, Attorney Owens had already drawn up the new By Laws (they were sent or given to shareholders along with the petition), which meant that the Board had spent a considerable sum of the shareholders money to have him do this with no meeting, discussion or vote held in which the shareholders could participate.

Is it not fair business practice to elicit the participation of shareholders in a decision of this magnitude, especially when it entails spending a large amount of money?

Jay claimed this week that this issue was brought up in prior meetings held over two years ago. I honestly have no recollection of this decision, as I have no recollection of what I had for dinner last Wednesday night! Either way, I would contend that, as a great deal of time had passed, a more recent meeting should have been held to discuss the pros and cons of incorporating and the expense to the CoOp members. Finally, from what I understand, a vote was taken to have an additional \$20 added on to our monthly bills as an assessment fee. As the base rate is already \$15, this will essentially double the bill for even a conservative water user. I would estimate that during the summer, my own bill will be at least \$50 per month as I have a drip system. I do not know when this will take effect or whether it is considered temporary. The Elmers claim that the system is old and will need upgrading. I would suggest that, in light of their prior decisions and lack of communication, that a neutral party inspect the system and make recommendations.

Thank you for your consideration.

Deborah Dobson, shareholder of the Red Rock Water CoOp 375 Mockingbird Lane, Sedona 86336

Arizona Corporation Commission

DOCKETED

JAN 11 2002

DOCKETED BY	<i>mw</i>
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RED ROCK WATER
ACTIVITY REPORT
JUNE 31, 2001 - DEC. 31, 2001

MONTH	DEPOSITS	APS	LEASE & MANAG.	MISC.
JULY	\$ 307.10	\$ 202.66	\$ 50.00	
AUG.	\$ 281.22	\$ 190.34	\$ 50.00	\$ 25.00
SEPT.	\$ 1,146.53	\$ 176.08	\$ 50.00	\$ 1,526.43
OCT.	\$ 702.75	\$ 166.80	\$ 50.00	\$ 132.81
NOV.	\$ 912.30	\$ 109.39	\$ 50.00	\$ 13.65
DEC.	\$ 614.70	\$ 74.27	\$ 176.00	\$ 1,572.19
TOTALS	\$ 3,964.60	\$ 919.54	\$ 426.00	\$ 3,270.10

MISC. AUG. - \$ 25.00 SCHULTZ

SEPT. - \$ 1,122.33 ATTORNEY
 \$ 4.12 POSTAGE
 \$ 400.00 PARTIAL PAYMENT ON REPAIRS
 WITH A BALANCE OF \$ 440.00

OCT. - \$ 34.00 POSTAGE
 \$ 71.07 ATTORNEY
 \$ 27.74 PART FOR WELL

NOV. - \$ 13.65 POSTAGE

DEC. - \$ 300.00 FOR REPAIRS IN SEPT. WITH A BALANCE
 OF \$ 540.00 DUE
 \$ 1,068.57 ATTORNEY
 \$ 203.62 FOR MATERIALS USED IN SEPT.

*Information on
these repairs & expenditures
was denied.*

BEGINING BAL. JULY 2001 \$ 1,634.05
 DEPOSITS JULY-DEC 5,598.65
 EXPENCES 4,615.64

ENDING BALANCE \$ 983.01 DEC. 31, 2001